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**Willie International Holdings Limited**

**威利國際控股有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 273)**

**INTERIM RESULTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2011**

**RESULTS**

The board of directors (the “Board”) of Willie International Holdings Limited (the “Company”) would like to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively referred as the “Group”) for the six months ended 30 June 2011 (the “Period”), together with the comparative figures for the six months ended 30 June 2010 as follows:

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

*For the six months ended 30 June 2011*

		<b>Unaudited</b>	
		<b>Six months ended 30 June</b>	
		<b>2011</b>	<b>2010</b>
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Turnover</b>	3	<b>(9,623)</b>	76,140
Other income		<b>5,356</b>	398
Depreciation		<b>(1,277)</b>	(14,534)
Employee benefits expense		<b>(4,484)</b>	(4,228)
Other operating expenses		<b>(10,095)</b>	(16,815)
Loss on disposal of interest in subsidiaries		—	(50,583)
Loss on deemed disposal of interest in associates	10	<b>(11,539)</b>	—
Net fair value loss on investments held for trading		<b>(117,943)</b>	(156,890)
Net fair value (loss) gain on investments designated as at fair value upon initial recognition		<b>(9,082)</b>	2,140
Share of results of associates		<b>(3,866)</b>	(2,126)
Net gain arising from changes in fair value of investment properties		—	27,033
Finance costs		<b>(7)</b>	(4,371)

		<b>Unaudited</b>	
		<b>Six months ended 30 June</b>	
		<b>2011</b>	<b>2010</b>
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Loss before taxation</b>		<b>(162,560)</b>	(143,836)
Taxation	4	<u>—</u>	<u>(6,076)</u>
<b>Loss for the period</b>		<b>(162,560)</b>	(149,912)
<b>Other comprehensive income</b>			
Translation reserve realised upon disposal of a subsidiary		<u>—</u>	<u>794</u>
<b>Total comprehensive loss for the period</b>		<b><u>(162,560)</u></b>	<b><u>(149,118)</u></b>
<b>Loss for the period attributable to:</b>			
Equity holders of the Company		<b>(162,297)</b>	(102,780)
Non-controlling interests		<u>(263)</u>	<u>(47,132)</u>
		<b><u>(162,560)</u></b>	<b><u>(149,912)</u></b>
<b>Total comprehensive loss attributable to:</b>			
Equity holders of the Company		<b>(162,297)</b>	(102,346)
Non-controlling interests		<u>(263)</u>	<u>(46,772)</u>
		<b><u>(162,560)</u></b>	<b><u>(149,118)</u></b>
			<i>Restated</i>
<b>Loss per share — Basic and Diluted</b>	5	<b><u>HK\$(0.26)</u></b>	<b><u>HK\$(0.41)</u></b>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 30 June 2011*

		Unaudited 30 June 2011 HK\$'000	Audited 31 December 2010 HK\$'000
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment		4,758	5,343
Interest in associates		569,136	583,281
Available-for-sale financial assets		35,920	26,020
Goodwill		376	—
Loan receivables	8	—	4,000
Capital injection in a joint venture		<u>10,100</u>	<u>—</u>
		<b>620,290</b>	<b>618,644</b>
<b>Current assets</b>			
Financial assets at fair value through profit or loss	7	768,084	677,842
Loan receivables	8	464,667	198,280
Other receivables		177,707	179,887
Cash and cash equivalents		<u>97,406</u>	<u>317,478</u>
		<b>1,507,864</b>	<b>1,373,487</b>
<b>Current liabilities</b>			
Other payables		2,590	3,467
Tax payable		<u>28</u>	<u>28</u>
		<b>2,618</b>	<b>3,495</b>
<b>Net current assets</b>		<b>1,505,246</b>	<b>1,369,992</b>
<b>NET ASSETS</b>		<b><u>2,125,536</u></b>	<b><u>1,988,636</u></b>
<b>CAPITAL AND RESERVES</b>			
Share capital	9	27,238	148,035
Reserves		<u>2,098,811</u>	<u>1,840,601</u>
Equity attributable to equity holders of the Company		<b>2,126,049</b>	1,988,636
Non-controlling interests		<u>(513)</u>	<u>—</u>
<b>TOTAL EQUITY</b>		<b><u>2,125,536</u></b>	<b><u>1,988,636</u></b>

## **NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

### **1. BASIS OF PREPARATION**

The unaudited interim condensed consolidated financial statements for the six months ended 30 June 2011 have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “*Interim Financial Reporting*” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

These interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2010. They have been prepared on the historical cost basis, except for investment properties, financial assets and financial liabilities at fair value through profit or loss, which are measured at fair value.

The accounting policies applied in preparing these interim condensed consolidated financial statements are consistent with those applied in preparing the Group’s annual financial statements for the year ended 31 December 2010. The adoption of the new/revised Hong Kong Financial Reporting Standards (“HKFRSs”) that are relevant to the Group and effective from the current period had no significant effects on the results and financial position of the Group for the current period and prior years.

The Group has not early adopted any new and revised HKFRSs that have been issued but are not yet effective for the current accounting period. The Group has already commenced an assessment of the impact of these new and revised HKFRSs but is not yet in a position to reasonably estimate their impact on its results of operations and financial position.

### **2. SEGMENT INFORMATION**

The directors have been identified as the chief operating decision makers to evaluate the performance of operating segments and to allocate resources to those segments based on the Group’s internal reporting in respect of these segments. The directors consider trading of investments, provision of financial services, property investment and investment holding are the Group’s operating segments. Segment results represent the profit earned or loss incurred by each segment. The following analysis is the measure reported to chief operating decision makers for the purposes of resources allocation and assessment of segment performance.

## Operating segments

An analysis of the Group's results by operating segments is set out below.

### For the six months ended 30 June 2011 (unaudited)

	Trading of investments <i>HK\$'000</i>	Provision of financial services <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Investment holding <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Segment revenue</b>						
Turnover	<u>(17,608)</u>	<u>4,266</u>	<u>—</u>	<u>3,719</u>	<u>—</u>	<u>(9,623)</u>
<b>Segment results</b>	<b>(141,727)</b>	<b>4,268</b>	<b>—</b>	<b>4,271</b>	<b>(13,960)</b>	<b>(147,148)</b>
Loss on deemed disposal of interest in associates	—	—	—	(11,539)	—	(11,539)
Share of results of associates	—	—	—	(3,866)	—	(3,866)
Finance costs	(7)	—	—	—	—	<u>(7)</u>
Loss before taxation						<b>(162,560)</b>
Taxation	—	—	—	—	—	<u>—</u>
<b>Loss for the period</b>						<b><u>(162,560)</u></b>

### For the six months ended 30 June 2010 (unaudited)

	Trading of investments <i>HK\$'000</i>	Provision of financial services <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Investment holding <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Segment revenue</b>						
Turnover	<u>53,436</u>	<u>6,753</u>	<u>15,879</u>	<u>—</u>	<u>72</u>	<u>76,140</u>
<b>Segment results</b>	<b>(101,009)</b>	<b>2,400</b>	<b>30,183</b>	<b>(6,622)</b>	<b>(13,834)</b>	<b>(88,882)</b>
Loss on disposal of interest in subsidiaries	—	—	—	(50,583)	—	(50,583)
Finance costs	—	—	—	—	(4,371)	<u>(4,371)</u>
Loss before taxation						<b>(143,836)</b>
Taxation	—	—	(6,076)	—	—	<u>(6,076)</u>
<b>Loss for the period</b>						<b><u>(149,912)</u></b>

An analysis of the Group's assets and liabilities by operating segments is set out below.

	Trading of investments <i>HK\$'000</i>	Provision of financial services <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Investment holding <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>At 30 June 2011 (unaudited)</b>					
<b>Assets</b>					
Segment assets	893,175	464,749	—	180,318	1,538,242
Interest in associates	—	—	—	569,136	569,136
Unallocated assets	—	—	—	—	<u>20,776</u>
Total assets					<u><u>2,128,154</u></u>
<b>Liabilities</b>					
Segment liabilities	(154)	(850)	—	(1,523)	(2,527)
Unallocated liabilities	—	—	—	—	<u>(91)</u>
Total liabilities					<u><u>(2,618)</u></u>
<b>At 31 December 2010 (audited)</b>					
<b>Assets</b>					
Segment assets	815,236	217,663	—	350,939	1,383,838
Interest in associates	—	—	—	583,281	583,281
Unallocated assets	—	—	—	—	<u>25,012</u>
Total assets					<u><u>1,992,131</u></u>
<b>Liabilities</b>					
Segment liabilities	(168)	(1,396)	—	(1,210)	(2,774)
Unallocated liabilities	—	—	—	—	<u>(721)</u>
Total liabilities					<u><u>(3,495)</u></u>

### Geographical segments

The Group's entire (2010: over 95%) turnover is derived from its external customers in Hong Kong during the Period. The Group's over 95% (at 31 December 2010: entire) specific non-current assets (which comprise property, plant and equipment, interest in associates, goodwill and capital injection in a joint venture) are located in Hong Kong as at 30 June 2011.

### Information on property investment segment

The Group did not have any assets and liabilities in the property investment segment at 30 June 2011 and 31 December 2010. In recent years, the Group has been earning rental income from letting of properties and conducting property acquisitions and disposal transactions and expects these activities to be continued. In the opinion of the directors, the dilution of the Group's interest in Cordoba Homes Limited ("Cordoba") and its subsidiaries leading to the derecognition of its assets and liabilities in prior year should not result in the Group's property investment business being regarded as a discontinued operation under HKFRS 5: "Non-current Assets Held for Sale and Discontinued Operations" as such business is considered to be ongoing.

There are no revenue (2010: HK\$15,879,000), pre-tax result (2010: pre-tax profit of HK\$30,183,000), related tax expenses (2010: HK\$6,076,000) and post-tax result (2010: post-tax profit of HK\$24,107,000) attributable to the property investment segment recognised in the condensed consolidated statement of comprehensive income during the Period.

### 3. TURNOVER

Turnover recognised from the principal activities of the Group including investment holding, trading of investments, property investment and provision of financial services are as follows:

	Unaudited	
	Six months ended 30 June	
	2011	2010
	HK\$'000	HK\$'000
Net (loss) gain from the sale of investments at fair value through profit or loss*	(20,808)	50,000
Interest income from loan receivables	7,986	6,753
Dividend income from listed investments	3,199	3,436
Rental income	—	15,951
	<u>(9,623)</u>	<u>76,140</u>

\* Represents the proceeds from the sale of investments at fair value through profit or loss of HK\$329,136,000 (2010: HK\$511,475,000) less the cost of sales and carrying amount of the investments sold of HK\$349,944,000 (2010: HK\$461,475,000).

### 4. TAXATION

No provision for Hong Kong Profits Tax has been made as the Group has no estimated assessable profits derived from Hong Kong during the Period.

### 5. LOSS PER SHARE

The calculation of basic loss per share is based on loss attributable to equity holders of the Company for the Period of HK\$162,297,000 (2010: HK\$102,780,000) and the weighted average number of 628,918,038 ordinary shares (2010 (restated): 251,476,292 ordinary shares) in issue during the Period.

The weighted average number of ordinary shares adopted in the calculation of the basic and diluted loss per share for the six months ended 30 June 2010 has been adjusted to reflect the impact of the share consolidation and rights issue effected during the Period.

The Company had no dilutive potential ordinary shares for the Period. Accordingly, the diluted loss per share was same as the basic loss per share for the Period. As there was an anti-dilutive effect after adjusting for the effects of all dilutive potential ordinary shares for the prior period, the diluted loss per share for the prior period was equal to the basic loss per share.

## 6. INTERIM DIVIDEND

The board of directors does not recommend any interim dividend for the Period (2010: nil).

## 7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Analysis of financial assets at fair value through profit or loss:

	<b>Unaudited</b> <b>30 June</b> <b>2011</b> <b>HK\$'000</b>	Audited 31 December 2010 HK\$'000
<b>Investments held for trading</b>		
Equity securities		
Listed in Hong Kong	<b>695,094</b>	603,413
Listed overseas	<b>18,588</b>	18,832
Bond listed overseas	<b><u>4,010</u></b>	<u>3,920</u>
	<b><u>717,692</u></b>	<u>626,165</u>
<b>Investments designated as at fair value upon initial recognition</b>		
Unlisted derivative financial instruments	<b>5,787</b>	—
Unlisted convertible bonds	<b><u>44,605</u></b>	<u>51,677</u>
	<b><u>50,392</u></b>	<u>51,677</u>
	<b><u>768,084</u></b>	<u>677,842</u>

At the end of the reporting period, the Group's financial assets at fair value through profit or loss with an aggregate carrying amount of approximately HK\$768,084,000 (at 31 December 2010: HK\$677,842,000) were pledged to certain financial institutions and securities brokers to secure certain margin financing and credit facilities amounted to HK\$398,367,000 (at 31 December 2010: HK\$317,240,000) granted to the Group which were not utilised as at 30 June 2011 and 31 December 2010.



## 8. LOAN RECEIVABLES

Loans granted to borrowers are repayable according to repayment schedules. The balances comprise loan receivables from:

	<b>Unaudited</b> <b>30 June</b> <b>2011</b> <b>HK\$'000</b>	Audited 31 December 2010 <i>HK\$'000</i>
Third parties ( <i>note</i> )	<b>464,667</b>	202,280
Less: Balances due within one year included in current assets	<b><u>(464,667)</u></b>	<b><u>(198,280)</u></b>
Non-current portion	<b><u>—</u></b>	<b><u>4,000</u></b>
	<b>Unaudited</b> <b>30 June</b> <b>2011</b> <b>HK\$'000</b>	Audited 31 December 2010 <i>HK\$'000</i>
Short term loans	<b>422,124</b>	47,133
Instalment loans	<b><u>42,543</u></b>	<b><u>155,147</u></b>
	<b><u>464,667</u></b>	<b><u>202,280</u></b>

*Note:*

At the end of the reporting period, loan receivables (1) carry effective interest rates ranging from around 2.5% to 15% per annum (*at 31 December 2010: ranging from around 2.5% to 12% per annum*); (2) are all (*at 31 December 2010: all*) within the respective maturity dates without past due and (3) are unsecured except for the balance of HK\$5,000,000 which is secured by a personal guarantee (*at 31 December 2010: all unsecured*).

## 9. SHARE CAPITAL

	Notes	Number of ordinary shares	Nominal value HK\$'000
<b>Authorised ordinary shares:</b>			
At 1 January 2010, 31 December 2010 and 1 January 2011, at HK\$0.10 each (audited)		<b>10,000,000,000</b>	<b>1,000,000</b>
Capital Reorganisation	(a)	<b>(8,000,000,000)</b>	<b>(980,000)</b>
Increase during the period	(b)	<b>8,000,000,000</b>	<b>80,000</b>
<b>At 30 June 2011, at HK\$0.01 each (unaudited)</b>		<b><u>10,000,000,000</u></b>	<b><u>100,000</u></b>

		Unaudited 30 June 2011		Audited 31 December 2010	
		Number of ordinary shares	Nominal value HK\$'000	Number of ordinary shares	Nominal value HK\$'000
<b>Issued and fully paid:</b>					
At beginning of reporting period		<b>1,480,349,830</b>	<b>148,035</b>	597,447,383	59,745
Capital Reorganisation	(a)	<b>(1,184,279,864)</b>	<b>(145,074)</b>	—	—
Rights issue	(b)	<b>2,368,559,728</b>	<b>23,686</b>	—	—
Issue of new shares	(c)	<b>59,213,993</b>	<b>591</b>	—	—
Placement of new shares		—	—	823,162,447	82,316
Issue of shares under share option scheme		—	—	<b>59,740,000</b>	<b>5,974</b>
<b>At end of reporting period</b>		<b><u>2,723,843,687</u></b>	<b><u>27,238</u></b>	<b><u>1,480,349,830</u></b>	<b><u>148,035</u></b>

### Notes:

- (a) At the extraordinary general meeting of the Company held on 16 March 2011, a special resolution in respect of the share consolidation and the capital reduction of the Company (the “Capital Reorganisation”) was approved by the shareholders. The Capital Reorganisation became effective on 17 March 2011 and its effects were as follows:
- (i) Under the capital reduction, the authorised share capital of the Company was reduced from HK\$1,000,000,000 divided into 10,000,000,000 shares of HK\$0.10 each to HK\$20,000,000 divided into 10,000,000,000 reduced shares of HK\$0.002 each and

the reduction was effected by way of cancellation of HK\$0.098 of the paid up capital on each issued share of HK\$0.10 and by reducing the nominal value of each issued or unissued share of the Company from HK\$0.10 per share to HK\$0.002 per reduced share.

- (ii) Under the share consolidation, every 5 reduced issued and unissued shares of HK\$0.002 each was consolidated into 1 adjusted issued and unissued share of HK\$0.01 each.
  - (iii) As a result of the Capital Reorganisation, the authorised capital of the Company was reduced from HK\$1,000,000,000 to HK\$20,000,000 divided into 2,000,000,000 adjusted shares of HK\$0.01 each while the issued share capital of the Company was reduced from HK\$148,034,983 to HK\$2,960,699.66 divided into 296,069,966 adjusted shares, giving rise to a total credit of HK\$145,074,283.34 which was, in its entirety, credited to the share premium account of the Company.
- (b) Pursuant to the ordinary resolution passed at the extraordinary general meeting on 30 May 2011 (the “EGM”), the authorised share capital of the Company was increased from HK\$20,000,000 divided into 2,000,000,000 shares to HK\$100,000,000 divided into 10,000,000,000 shares by the creation of an additional 8,000,000,000 new shares of HK\$0.01 each.

At the EGM, the ordinary resolution approving the rights issue was also duly passed. 2,368,559,728 rights shares on the basis of eight rights shares for every share held at a price of HK\$0.125 per rights share were issued and allotted to successful applicants in June 2011. These shares rank pari passu with all existing shares in all respects.

- (c) In June 2011, the Company allotted and issued an aggregate of 59,213,993 ordinary shares of HK\$0.01 each for cash to an independent investor at a price of HK\$0.20 per share. These shares rank pari passu with all existing shares in all respects.

## **10. DEEMED DISPOSAL OF INTEREST IN ASSOCIATES**

During the Period, an associate of the Company, Cordoba entered into certain subscription agreements pursuant to which Cordoba issued certain new shares to relevant parties, which constitute a deemed disposal of the Group’s interest in Cordoba. These deemed disposals were completed during the Period and, accordingly, the Company’s 40.71% equity interest in Cordoba was diluted to 27.30% of the enlarged issued share capital of Cordoba as at 30 June 2011, and there was a loss of HK\$11,539,000 arising therefrom.

## **CHAIRMAN'S STATEMENT**

### **INTERIM DIVIDEND**

The Board does not recommend any interim dividend for the six months ended 30 June 2011 (*2010: nil*).

### **RESULTS**

During the six months ended 30 June 2011, the Group reported a negative turnover of approximately HK\$10 million compared with a positive turnover of approximately HK\$76 million for the corresponding period of 2010. The decrease in turnover was mainly attributable to the net loss from the sale of investments and the decrease in rental income.

The stock market underwent considerable fluctuation and volatility. The Hang Seng Index fell by 2.8% in the first half of 2011. Stock prices rose initially but retreated in the aftermath of the tsunami and nuclear crisis in Japan in mid-March and compounded by the lingering concerns over monetary tightening measures in the Mainland as well as the European sovereign debt problem and the US monetary policy. The Group reported a loss of approximately HK\$162 million attributable to shareholders for the Period (*2010: approximately HK\$103 million*). The loss mainly comprised net loss from the sale of investments of approximately HK\$21 million (*2010: net gain of approximately HK\$50 million*) and net fair value loss on investments of approximately HK\$127 million (*2010: approximately HK\$155 million*). Loss per share for the Period was HK\$0.26 (*2010 (restated): HK\$0.41*).

### **BUSINESS REVIEW AND PROSPECTS**

Facing with increasing uncertainties and risks in the global financial markets, the securities trading and investments portfolio reported a loss of approximately HK\$142 million of which approximately HK\$127 million was related to net fair value loss.

The Group has continued to seek new opportunities in the investment holdings and properties portfolios. No rental income was contributed from property investment segment during the Period.

The money lending portfolio maintained a stable interest income and earned a profit of approximately HK\$4 million during the Period.

The Group acquired a 60% interest in China Energy Worldwide Investment Limited (“China Energy HK”) which through its two joint ventures in the PRC has engaged in the manufacture of LNG-driven heavy-duty trucks and specialised vehicles and the construction and operation of LNG refueling stations in the PRC. The Group sees the PRC LNG market as a potentially very lucrative market and has chosen Huainan, Anhui Province, PRC as the initial investment location. The refueling stations are expected to be operational by the first quarter next year.

## **FINANCIAL REVIEW**

### **Liquidity and Capital Resource**

During the Period, the Company had successfully issued 59,213,993 new shares to an independent investor at HK\$0.20 each raising approximately HK\$12 million and also issued 2,368,559,728 rights shares on the basis of eight rights shares for every share held at HK\$0.125 per rights share raising additional capital of approximately HK\$287 million for general working capital and future potential investment purposes.

As at 30 June 2011, the Group’s total equity amounted to approximately HK\$2,126 million, a rise of 6.89% as compared with approximately HK\$1,989 million as at 31 December 2010. The Group had net current assets of approximately HK\$1,505 million including cash and cash equivalents of approximately HK\$97 million as compared to approximately HK\$1,370 million including cash and cash equivalents of approximately HK\$317 million as at 31 December 2010. The Group continued to maintain a nil gearing ratio with a high current ratio of 576 times as compared to 393 times as at 31 December 2010.

### **Capital Reorganisation**

In March 2011, a special resolution approving the capital reorganisation by capital reduction and share consolidation of five shares into one adjusted share was passed at an extraordinary general meeting of the Company. As a result, the issued share capital of the Company was reduced from HK\$148,034,983 to HK\$2,960,699.66 representing 296,069,966 adjusted shares, thus giving rise to a total credit of HK\$145,074,283.34 which will, in its entirety, be credited to the share premium account of the Company.

### **Acquisitions**

In June 2011, the Company made an announcement to acquire 250 million new shares of a listed investment company in Hong Kong for HK\$75 million for long term investment and this transaction was completed on 23 August 2011. In late June 2011,

the Company acquired a 60% equity interest in China Energy HK for a consideration of HK\$1 with a right of first refusal over the remaining 40%. China Energy HK, through two joint ventures in the PRC, has engaged in the manufacture of LNG-driven heavy-duty trucks and specialised vehicles and the construction and operation of LNG refueling stations in the PRC.

## **PLEDGE OF ASSETS**

As at 30 June 2011, the Group's financial assets at fair value through profit or loss with an aggregate carrying amount of approximately HK\$768 million (*as at 31 December 2010: approximately HK\$678 million*) were pledged to certain financial institutions and securities brokers to secure certain margin financing and credit facilities amounted to approximately HK\$398 million (*as at 31 December 2010: approximately HK\$317 million*) granted to the Group which were not utilised as at 30 June 2011 and 31 December 2010.

## **CAPITAL EXPENDITURE COMMITMENTS**

As at 30 June 2011, the Group had capital expenditure commitments in respect of capital injection into two joint ventures in the PRC and subscription of new shares of a HK listed company contracted but not provided for (net of deposit paid) in the interim condensed consolidated financial statements amounting to approximately HK\$55 million and HK\$75 million respectively (*as at 31 December 2010: approximately HK\$0.1 million*).

## **CONTINGENT LIABILITIES**

As at 30 June 2011, the Group had provided corporate guarantees to its associates for securing banking facilities amounting to approximately HK\$342 million (*as at 31 December 2010: approximately HK\$360 million*), which were utilised to the extent of approximately HK\$290 million (*as at 31 December 2010: approximately HK\$316 million*). The Group had recognised a corporate guarantee fee of approximately HK\$2 million (*2010: nil*) during the Period.

## **EMPLOYEES**

As at 30 June 2011, the Group employed 27 (*as at 31 December 2010: 32*) employees excluding directors. The Group remunerates its employees based on their performance, working experience and prevailing market standards. Employee benefits include medical insurance coverage, mandatory provident fund and share option scheme.

## **PURCHASE, SALE OR REDEMPTION OF SECURITIES**

During the Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company.

## **AUDIT COMMITTEE**

The Company established the audit committee (“Audit Committee”) in January 2003 and written terms of reference were formulated. The Audit Committee comprises three independent non-executive directors, namely Mr. Cheung Wing Ping (Chairman of the Audit Committee), Mr. Wen Louis and Mr. Yau Yan Ming, Raymond. Please refer to a separate announcement by the Company today about the appointment of Mr. Frank H. Miu and Mr. Gary Drew Douglas as additional members of the Audit Committee effective from 1 September 2011. The primary duties of the Audit Committee are, among other matters, to communicate with the management of the Company; and to review the accounting principles and practices, internal control systems, interim and annual results of the Group.

The Group’s interim results for the six months ended 30 June 2011 have been reviewed by the Audit Committee.

## **REMUNERATION COMMITTEE**

The Company established the remuneration committee (“Remuneration Committee”) in June 2005. The primary duties of the Remuneration Committee are to review and make recommendation for the remuneration package of directors and senior management of the Company. The Remuneration Committee comprises one executive director, namely, Mr. Wong Ying Seung, Asiong (Chairman of the Remuneration Committee), and two independent non-executive directors, namely, Mr. Wen Louis and Mr. Yau Yan Ming, Raymond.

## **COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES**

The Company has complied with all the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) throughout the Period.

## **COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted a code of conduct regarding securities transactions by officers of the Group on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 of the Listing Rules. Following specific enquiry by the Company, all directors confirmed that they have complied with the required standards set out in the Model Code throughout the Period.

## **PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT**

This interim results announcement is published on the Company's website at <http://www.willie273.com> and the website of Hong Kong Exchanges and Clearing Limited at <http://www.hkexnews.hk>. The 2011 interim report of the Company will be despatched to the shareholders of the Company who have selected to have a printed copy and available on the above websites in due course.

## **APPRECIATION**

The Board would like to express its sincere gratitude to our business partners, employees, and shareholders for their continuous support.

By order of the Board  
**Willie International Holdings Limited**  
**Dr. Chuang Yueheng, Henry**  
*Chairman*

Hong Kong, 30 August 2011

*As at the date of this announcement, the Board comprises:-*

*Executive Directors:*

Dr. Chuang Yueheng, Henry  
Mr. Wong Ying Seung, Asiong  
Mr. King Phillip  
Mr. Fung Yue Tak, Derek  
Mr. Tsui Hung Wai, Alfred

*Independent Non-executive Directors:*

Mr. Cheung Wing Ping  
Mr. Wen Louis  
Mr. Yau Yan Ming, Raymond  
Mr. Frank H. Miu  
Mr. Gary Drew Douglas